FORM MR-AR (Revised 12/2011)

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

JAIJ 3 1 2013
DIV: OFOIL, GAS & MINING

1594 West North Temple - Suite 1210 Box 145801 Salt Lake City, Utah 84114-5801 Telephone: (801) 538-5291

Fax: (801) 338-329

SMALL MINING OPERATIONS PROGRESS REPORT January 1, 20 12 to December 31, 20 12

The information required in this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, and the rules as under the Utah Minerals Regulatory Program. The report is due January 31 each year.

| | 1. | Mine Permit Number: 8470102 |
|--------|-------------|---|
| | 2. | Mine Name: SOUTHWEST #2 |
| | 3. | Name of Operator/Permittee: RED LEAF RESOURCES |
| | | Note: If Operator's address, company representative or phone number have changed, please provide a replacement page for the Notice of Intention together with form MR-REV available on the Division's web page at https://fs.ogm.utah.gov/pub/MINES/Minerals_Related/FORMS/MR-REV-SMO_EXP.pdf . |
| | 4. | Report the gross amount of ore mined and waste moved. |
| | | Gross Ore Mined ——Tons, or $\frac{3805}{}$ yd ³ NO MATERIAL REMOVED FROM SITE |
| | | Waste Material Moved ——Tons, or $\frac{0}{y}d^3$ |
| | 5. | New disturbance created during the year 5.0 Acres |
| | | Area reclaimed during the year Acres |
| | | Total Disturbed Area at the end of the year 9.97 Acres* |
| | | *The total disturbed area should not be greater than the permitted/bonded acreage. |
| | 6. | Briefly describe the reclamation work performed during the past year. A map showing reclaimed areas and dates is suggested. |
| | | NONE - STILL DEVELOPING FACILITY. |
| | | NONE - STILL BEVEEST INSTANIETT. |
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| | I here | by certify the information provided in this report is true and correct to the best of my |
| know | ledge and | |
| LIIO W | reage and | |
| | | Name (Typed or Print): JAY VANCE |
| | | Title of Operator: MANAGER, ENVIRONMENTAL AND PERMITTING |
| | | Signature of Operator: Jan Vince |
| | | Date: JANUARY 30, 2012 |
| pb | | |
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